

COMMONWEALTH OF VIRGINIA
VIRGINIA EMPLOYMENT COMMISSION

Policy Number:	02-02
Effective Date:	March 20, 2002
Revision #:	
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Title:	Recaptured Workforce Investment Act Title I Local Formula Funds

PURPOSE

To set forth the parameters for recapturing Title I local formula funds allocated under the Workforce Investment Act (WIA) to Local Workforce Investment Areas (LWIAs) and to address how the Governor is able to use the funds to promote the success of the workforce development system of Virginia.

REFERENCES

Code of Virginia, Section 2.2-2669. Virginia Workforce Council.
Public Law 105-220, Workforce Investment Act of 1998, Section 128(b), 133(b) and 134.
Federal Register, August 11, 2000, Part II, Department of Labor, Employment and Training Administration, 20 CFR Part 652 et al., Workforce Investment Act; Final Rules, Part 667.
Executive Order 2 (2002): Establishing the Economic Crisis Strike Force.
Executive Order 5 (2002): Establishing the Governor's Commission on Efficiency and Effectiveness.

POLICY STATEMENT

Funds allocated to LWIAs under the WIA for any program year are available for expenditure *only* during that program year and the succeeding program year. At the end of the first year of the allocation cycle the Governor may recapture the amount by which the prior year's unobligated balance of allocated funds exceeds 20 percent of that year's allocation for the program, less any amount reserved (up to 10 percent) for the costs of administration. At the end of the second year of the allocation cycle, the Governor must recapture all unexpended funds. Recaptured funds may be used for statewide projects or reallocation to local areas.

Recognizing that a skilled workforce drives the knowledge-based economy, governors in leading-edge states have begun to rationalize and modernize state workforce development systems to meet the needs of workers and employers. The WIA is designed to facilitate gubernatorial action, in this regard. The successful transformation of workforce development systems requires the active involvement and strong leadership of the Governor.

The Governor signed Executive Order 2 (2002) on January 12, 2002, which establishes the Economic Crisis Strike Force. State government has an important role to play in rebuilding our communities after economic crisis strikes.

The ongoing purpose of the Strike Force is to serve as an on-call working group to respond, as needed, to economic disasters in Virginia communities by: (1) immediately providing a single point of contact for citizens in affected communities to assist with accessing available government and private sector services and resources; (2) assisting localities in developing short-range and long-term strategies for addressing the economic crisis; and (3) identifying opportunities for workforce retraining, job creation and new investment.

Additionally, the Governor signed Executive Order 5 (2002) on January 15, 2002, which establishes the Governor's Commission on Efficiency and Effectiveness. The Commission's purpose is to: (1) identify redundant and ineffective services; (2) streamline and consolidate state agencies and programs; (3) better use technology to improve service delivery and reduce costs; and (4) employ 21st century management tools, such as, Six Sigma, to make state services more efficient. Together, these leadership initiatives address the Governor's commitment to immediate and effective problem resolution.

The design of Virginia's workforce investment system must be based on employment needs, which, by necessity, requires the active involvement of employers. The Virginia Workforce Council (VWC), led by a business majority, advises the Governor on strategies for a comprehensive state workforce investment system. The VWC recognizes that the Governor needs to use workforce development funds with the maximum discretion that is provided by the WIA through the recapture of local funds. Therefore, the VWC recommends the prerogative of the Governor through the WIA to support the Governor's workforce and efficiency plans. At the Governor's discretion, recaptured funds will be used for statewide activities including, but not limited to, incumbent worker training, gubernatorial workforce initiatives and workforce development programs targeted by the Governor for economically-depressed regions of Virginia.

RECISIONS:

APPROVED: Michael A. Daniels, Chairman
Virginia Workforce Council

Dolores A. Esser, Commissioner
Virginia Employment Commission

DATE APPROVED: March 20, 2002